

Executive Summary

Claims Committee Meeting, June 1, 2020

Board of Governors Meeting, June 24, 2020

Benchmark for XactAnalysis Amendment to ISO ClaimSearch, ITN 18-0024

Citizens is requesting approval to amend the above contract with ISO to add Benchmark for XactAnalysis. Benchmark for XactAnalysis provides property specific weather analysis for claim related research. It is requested due to its ability to provide weather analysis for date ranges selected by the user, rather than the contract's current functionality which is limited to data for a three-day period surrounding the reported date of loss.

History

Under the current contract, Citizens has access to property specific weather analysis for a three-day period surrounding a reported date of loss. These natural hazard analyses reports are used for research of reported claims and include general weather-related data, hail verification, lightning strike, wind assessment, and tornado assessment. The reports provide detailed analytics for catastrophe or non-catastrophe events. The reports help to minimize guesswork by field adjusters, reduce the number of needed inspections, reduce loss adjustment expenses through better management and identification of fraud at an early stage, and speed up the claims process and reduce cycle times. Citizens entered into the contract with ISO in 2019.

Citizens is requesting approval to amend the contract to add Benchmark for XactAnalysis. Benchmark for XactAnalysis allows the user to choose the date range for weather analytics reporting, rather than being limited to data for the three-day period surrounding the reported date of loss. This additional capability enables a much more thorough investigation of alleged wind damage claims. The current three-day period is tied to the reported data of loss, and this date may not be accurate. The additional search capability is useful for claims that merit review of specific additional dates with alleged wind damages, or review of lengthy periods of time prior to or after a catastrophe. For instance, it can be used for more comprehensive research of late reported catastrophe claims where first notice of loss can exceed two years.

Benchmark for XactAnalysis is priced on a per report basis. Citizens requests approval of an additional \$296,000 in contract spend for the additional costs of Benchmark for XactAnalysis, for a total contract approved spend of \$8,611,000.

Recommendation

Staff recommends the Citizens' Claims Committee approve and recommends the Board:

- a) Approve the recommended contract amendment to add Benchmark for XactAnalysis for the remaining base contract term and all renewals for ISO ClaimSearch, under ITN 18-0024 for Loss History Reports;
- b) Approve the recommended increase of the total contract authority by \$296,000, from \$8,315,000 to a total of \$8,611,000; and
- c) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.

CONSENT ITEM

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Committee Meeting, June 01, 2020
Board of Governors Meeting, June 24, 2020

CONTRACT ID:	Benchmark for XactAnalysis (Contract Amendment) Amendment to ISO ClaimSearch ITN 18-0024
BUDGETED	No.
CONTRACT AMOUNT	This Consent Item requests approval for an additional \$296,000 of contract spend for a total approved spend of \$8,611,000. The additional spend is requested for use of Benchmark for XactAnalysis, which allows Citizens to obtain property specific weather analysis for a broader range of dates than currently included in the contract. The Board of Governors previously approved \$8,315,000 in total contract spend on September 26, 2018.
CONTRACT HISTORY	The Insurance Services Office (ISO) ClaimSearch contract was procured pursuant to ITN 18-0024. The contract was approved by the Board of Governors in September 2018 and took effect on March 1, 2019. We are now requesting approval of an Amendment to add Benchmark for XactAnalysis.
CONTRACT TERM(S)	The Contract has a base term of five (5) years, with one (1) three (3) year and one (1) two (2) year renewal options, for a total of ten (10) years.
PURPOSE/SCOPE	<p>This Consent Item seeks approval to amend the contract to add a product named Benchmark for XactAnalysis. Benchmark for XactAnalysis provides improved reporting functionality for property specific weather analysis. These reports provide analysis of general weather-related data, hail verification, lightning strike, wind assessment, and tornado assessment. This information is used for research relating to a reported claim. While this weather analysis is currently provided under the contract, the data in the reports is limited to a three-day period surrounding the reported date of loss.</p> <p>Benchmark for XactAnalysis is requested due to its ability to provide weather analysis for dates chosen by the user, rather than being limited to three days surrounding the reported date of loss. This broader search capability allows for a more thorough investigation of alleged wind damage claims. Some claims merit weather analysis for lengthy periods of time prior to or after a catastrophe, or for specific additional dates with alleged wind damages. For instance, this additional reporting functionality can be used for more comprehensive research of late reported catastrophe claims where first notice of loss can exceed two years.</p> <p>Benchmark for XactAnalysis is priced on a per report basis. Citizens requests approval of an additional \$296,000 in contract spend for the additional costs of Benchmark for XactAnalysis, for a total contract approved spend of \$8,611,000.</p>

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PROCUREMENT METHOD	This is an amendment to Citizens' current contract for ISO ClaimSearch. This contract was procured by Citizens pursuant to Invitation to Negotiate (ITN) 18-0024, for Loss History Reports.
RECOMMENDATION	Staff recommends the Citizens' Claims Committee approve and recommends the Board: <ul style="list-style-type: none">a) Approve the recommended contract amendment to add Benchmark for XactAnalysis for the remaining base contract term and all renewals for ISO ClaimSearch, under ITN 18-0024 for Loss History Reports;b) Approve the recommended increase of the total contract authority by \$296,000, from \$8,315,000 to a total of \$8,611,000; andc) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
CONTACTS	Jay Adams, Chief Claims Officer